

David Whitaker, Esq.
Director
Irvin Corley, Jr.,
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner

LaKisha Barclift, Esq
Rory Bolger, PhD
Timothy Boscarino
Kemba Braynon

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Elizabeth Cabot, Esq
Janese Chapman
Derrick Headd
Anne Marie Langan
Jerry Pokorski
Analine Powers, PhD
Sabrina Shockley
Thomas Stephens
David Teeter
Kathryn Underwood

TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: September 15, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division for the Regular Session of September 16, 2014. All items on this list are included on the City Council Agenda for September 16, 2014 to be referred to the appropriate Standing Committee for review and report back to the City Council.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachment

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on September 16, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
Finance	1	0	0	1
Inform.Tech.Services	2	0	2 Extensions	2
Plan. & Developmt.	1	0	0	1
Public Works	1	0	0	1
Transportation	2	0	1 Purchase Increase	0
Totals	7	0	2 Extensions/Amend.	5
3 Emergency Procurements		0 Detroit-Based Business Bids	1 Purchase Increase	

The Honorable City Council
Contracts and Purchase Orders, Statistics
Items Submitted for Referral September 16, 2014

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This list represents expenditures totaling \$ 6,049,697.54¹

Included in the total costs are the following:

City General Fund	\$	5,000.00
Grants Fund	\$	60,000.00
Parking Operating Fund	\$	85,000.00
Street Funds	\$	2,158,222.34
Transportation Funds	\$	80,000.00
Transportation Grant Funds	\$	3,661,475.20

¹ This list includes: Increase to existing contract, Extensions to existing contracts of 3 months; New contracts for terms of 10 months, 1 year (expired), 4 years and 5 years.

TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division

DATE: September 15, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED
AT THE FORMAL SESSION OF SEPTEMBER 16, 2014**

FINANCE

2895777 100% City Funding – To Provide Auditing Services for Preparation of the City’s 2014 CAFR and for the Department of Municipal Parking’s Financial Statements – Contractor: Randy Lane, PC, CPA, Location 535 Griswold, Suite 111-607, Detroit, MI 48226 – Contract Period: August 31, 2014 through June 30, 2015 – Contract Amount: \$170,000.00

Costs budgeted to 3 Accounts as follows:

\$85,000 to Parking Operating Fund, Acct. 5102-340010-000145-611200-04108-0-A3570, Appropriation for Operation & Maintenance includes funding of \$13,683,019 as of Sept. 12; \$80,000 to Transportation Operation Fund, Acct. 5301-20090-0-611200-00146-0-A3550, Appropriation for Depart. Operations includes funding of \$16,459,670 as of Sept. 12, 2014; and \$5,000 to General Fund, Acct. 1000-230130-000078-017900-00245-0-A5020, Appropriation for Accounts Division-Admin. includes available funding of \$3,483,168 as of Sept. 12, 2014.

Contract services to include:

Assist in preparation of the annual audit of the Municipal Parking Dept. and the Dept. of Transportation’s financial statements and supplemental schedules for the year ending June 30, 2014, assistance includes closing the books, preparing audit support schedules and discussion with external auditors.

Assist in preparation of external audit support schedules of the City-wide legal reserves reporting and other General Fund Reporting issues.

Budgeted costs include: Preparation of annual audit of Dept. of Transportation for \$60,000; Dept. of Transportation, additional support for operations and financial reporting as requested for \$20,000; Preparation of annual audit of Municipal Parking for \$85,000; Support schedules of City-wide legal reserves and other General Fund issues for \$5,000.

Contract Discussion continues on the following page.

Finance Department - continued

Continued Discussion of contract

2895777 100% City Funding – To Provide Auditing Services for Preparation of the City’s 2014 CAFR and for the Department of Municipal Parking’s Financial Statements – Contractor: Randy Lane, PC, CPA, Location 535 Griswold, Suite 111-607, Detroit, MI 48226 – Contract Period: August 31, 2014 through June 30, 2015 – Contract Amount: \$170,000.00

Services provided as needed and invoices based on the following hourly rates (includes discount for government services): Managing Director at \$250; Director (CAFR Readiness cost) at \$185; Sr. Manager for \$135; Manager for \$117; Senior staff for \$99; Experienced staff for \$77; Staff for \$54 per hour.

Contract checklist, dated August 25, 2014, indicates the contract is essential for assistance to prepare the City’s Annual Financial Statement.

Covenant of Equal Opportunity Affidavit signed 8-19-14;

TAXES: Good Through 8-19-15 and 1-15-15;

Hiring Policy Compliance Affidavit signed 8-19-14, Employment Application submitted complies;

Slavery Era Records Disclosure Affidavit signed 8-19-14, indicating no records to disclose.

This vendor has provided Accounting Services to assist with preparation of financial statements for the City’s CAFR for many years. Recent contracts include:

No. 2879763, Approved July 23 2013, for 1 year term, through June 30, 2014, for a cost of \$190,000 (assist DOT, Municipal Parking, and City-wide legal reserves); Increased twice for by \$86,846 to a total of \$276,846.

No. 2864636, approved July 31, 2012 for a term of 1 year, through June 30, 2013, for a cost of \$290,000 (assist DWSD, Airport, Municipal Parking, Transportation, City-wide legal reserves);

No. 2843712, approved July 11, 2011 for a 1-year term, through June 30, 2012, for a cost of \$374,000;

No. 2790500, approved April 7, 2009 for a term through Sept. 2009, for a cost of \$500,000; Amended 4 times to extend the contract through March 31, 2011, and increased costs to a total of \$1,850,000.

INFORMATION TECHNOLOGY SERVICES

2821499 100% City Funding – To Provide Computer Programming, Coding and Analysis –
Contractor: Data Consulting Group, Inc., Location: 965 E. Jefferson, Detroit, MI
48226 – Contract Period: July 1, 2014 through September 30, 2014 – Contract
Amount: \$11,386,000.00

Amendment #4 is for extension of time only.

Costs are charged to the Department/Agency fund and appropriation when services are requested and used.

This request is for approval of Amendment No. 4 to extend the contract 3 months, through September 30, 2014; No increase in the total contract cost is requested; hourly costs appear to remain the same as initially approved.

This contract is for the professional and technical personnel to provide computer programming, coding and analysis services as required for various projects of City Departments and agencies.

This contract was initially approved October 19, 2010 for a term of 2 years, through June 2012, for costs not to exceed \$4,000,000.

Contract fees range from \$40 per hour for Information Systems Technician to \$200 per hour for Program Director.

Amendment 1, approved Nov. 22, 2011, increased the costs by \$1,760,000;

Amendment 2, submitted in August 2012 extended the contract term by 1 year, through June 2013, and increased the costs by \$2,826,000;

Amendment 3, approved Sept. 10, 2013, extended the contract term 1 year, through June 2014, and increase the costs by \$2,800,000 to a total of \$11,386,000.

Contract checklist, dated August 11, 2014, indicates this contract is essential to provide the resources for various projects that are essential to department functions.

Covenant of Equal Opportunity Affidavit initially signed 6-5-13;

TAXES: Good Through 7-1-15 and 12-30-14;

Hiring Policy Compliance Affidavit signed 6-30-14, Employment application submitted complies;

Slavery Era Records Disclosure Affidavit signed 6-30-14, indicating business established 1990, no records to disclose.

A total of 7 ITS Professional Services contracts were initially approve in 2010; 3 contracts submitted on Sept. 9 with: Futurenet Group (2821494), Computech (2821496), Compuware (2821501) the other 2 contracts, that have not been submitted for extension are: approved with Sigma (No. 2821495) and Universal System Technology (No. 2821504).

Information Technology Services - *continued*

2821497 100% City Funding – To Provide Computer Programming, Coding and Analysis – Contractor: PIE Management, LLC, Location: 719 Griswold, Suite 820, Detroit, MI 48226 – Contract Period: July 1, 2014 through September 30, 2014 – Contract Amount: \$5,000,000.00

Amendment #3 is for extension of time only.

Costs are charged to the Department/Agency fund and appropriation when services are requested and used.

This request is for approval of Amendment No. 4 to extend the contract 3 months, through September 30, 2014; No increase in the total contract cost is requested; hourly costs appear to remain the same as initially approved.

This contract is for the professional and technical personnel to provide computer programming, coding and analysis services as required for various projects of City Departments and agencies.

This contract was initially approved October 19, 2010 for a term of 2 years, through June 2012, for costs not to exceed \$2,000,000.

Contract fees range from \$24 per hour for Team Leader and \$32.28/hr. for GIS Technician to \$79.60 per hour for Program Director.

Amendment 1, approved Sept. 18, 2012, increased the costs by \$1,500,000;

Amendment 2, approved Sept. 10, 2013, extended the contract term by 1 year, through June 2013, and increased the costs by \$1,500,000 for a total of \$5,000,000.

Contract checklist, dated August 11, 2014, indicates this contract is essential to provide the resources for various projects that are essential to department functions.

Covenant of Equal Opportunity Affidavit initially signed 6-30-14;

TAXES: Good Through 5-20-15 and 1-15-15;

Hiring Policy Compliance Affidavit signed 6-30-14, Employment application submitted complies;

Slavery Era Records Disclosure Affidavit signed 6-30-14, indicating business established 2002, no records to disclose.

A total of 7 ITS Professional Services contracts were initially approve in 2010; 3 contracts submitted on Sept. 9 with: Futurenet Group (2821494), Computech (2821496), Compuware (2821501) the other 2 contracts, that have not been submitted for extension are: approved with Sigma (No. 2821495) and Universal System Technology (No. 2821504).

PLANNING AND DEVELOPMENT

2882841 100% Federal Funding – To Provide Supplemental Recreational Services – Contractor: Living Arts, Location: 8701 W. Vernor Highway, Suite 202, Detroit, MI 48209 – Contract Period: July 1, 2013 through July 31, 2014 – Contract Amount: \$60,000.00

Costs budgeted to Block Grant Fund, Acct. 2001-366895-772513-651147-11892-0-A3050, Appropriation for Living Arts includes available funding of \$84,798 as of Sept. 12, 2014.

Funding is from the 2012-2013 CDBG funding allocated for neighborhood improvement projects proposed by citizens, non-profit organizations and neighborhood groups.

Project Coordinator for the Agency is Kimberly Kleinhans.

This contract is to assist the Agency to provide Supplemental Recreational Services. Contractor to provide dance classes to 145 youth of Southwest Detroit, ages 3 to 17; and 20 adults. 34 Weekly dance classes to be provided in tap, jazz, hip-hop, ballet, modern, breakdance and creative movement. Program concludes with an annual showcase performance. Program also includes 3 field trips to professional dance performances.

According to the Planning and Development staff, the processing of this contract has been delayed due to delays in the previous contract with this Agency. Final payment on the past contract completed in March; could not begin processing this contract until the previous contract was concluded. All vouchers for payment of this contractual \$60,000 have been received and will be paid as soon as approval of the contract is verified.

Budgeted costs include: Personnel costs (including artistic director, guest artists, security) for \$36,194; Communication costs of \$220; Accounting/bank services for \$2,937; Insurance for \$500; Printing for \$250; Rental of Program space for \$6,310; Program materials/supplies for \$150; Costumes for \$4,250; Dance Instructor fees (\$25/hour) for \$8,759; Field trips for \$430.

Contract checklist, dated March 27, 2013, indicates this contract is essential to provide agency funding as authorized and to comply with HUD Agreement.

Covenant of Equal Opportunity Affidavit signed 2-27-13;

TAXES: Good Through 7-16-14 and 1-15-15;

Hiring Policy Compliance Affidavit signed 9-27-13, Employment Application submitted complies;

Slavery Era Records Disclosure Affidavit signed 2-28-13, indicating Agency established 1999, no records to disclose.

PUBLIC WORKS

2891323 23.47% Street Fund, 17.79% State, 49.38% Federal, 9.36% Other Funding – To Provide Construction Engineering and Inspection Services (CE&I) for Fourteen (14) MDOT Projects – Contractor: Parsons Brinckerhoff Michigan, Inc., Location: 500 Griswold St., Suite 2900, Detroit, MI 48226-5001 – Contract Period: Upon Receipt of Written Notice to Proceed through December 31, 2018 – Contract Amount: \$2,158,222.34.

Costs budgeted to 11 different accounts in Major Street Fund as follows:

\$233,190.55 to Acct. 3301-190820-000048-617901-04189-0-A4570, Appropriation for Major Street-Capital includes available funding of \$76,516,377 as of Sept. 12, 2014;

\$99,451.37 to Acct. 3301-193349-005517-617901-13719-0-A4570, Appropriation for Signal Upgrades includes available funding of \$1,049,452 as of Sept. 12, 2014;

\$177,271.43 to Acct. 3301-193361-005517-617901-13847-0-A4570, Appropriation for Traffic Signal Installation includes available funding of \$2,004,000 as of Sept. 12, 2014;

\$285,661.31 to Acct. 3301-193355-005517-617901-13828-0-A4570, Appropriation for HMA Re-surfacing includes available funding of \$2,955,500 as of Sept. 12, 2014;

\$62,057.27 to Acct. 3301-193354-005517-617901-13827-0-A4570, Appropriation for 660 Miles Pavement Marking includes available funding of \$734,800 as of Sept. 12, 2014;

\$42,071.24 to Acct. 3301-193358-005517-617901-13830-0-A4570, Appropriation for Concrete Pavement repairs includes available funding of \$497,300 as of Sept. 12, 2014;

\$54,223.93 to Acct. 3301-193362-005517-617901-13848-0-A4570, Appropriation for Jefferson Ave. Streetscape includes available funding of \$439,515 as of Sept. 12, 2014;

\$527,879.25 to Acct. 3301-193357-005517-617901-13831-0-A4570, Appropriation for HMA Re-surfacing includes available funding of \$5,149,100 as of Sept. 12, 2014;

\$147,817.09 to Acct. 3301-193363-005517-617901-13849-0-A4570, Appropriation for Livernois Streetscape includes available funding of \$1,481,988 as of Sept. 12, 2014;

\$144,749.89 to Acct. 3301-193364-005517-617901-13850-0-A4570, Appropriation for Mack Ave. Bridge includes available funding of \$1,547,079 as of Sept. 12, 2014; and

\$383,849.01 to Acct. 3301-193365-005517-617901-13851-0-A4570, Appropriation for Cass Ave. Non-Motorized project includes available funding of \$3,891,261 as of Sept. 12, 2014.

5 Proposals were received from a Request for Qualifications, to provide the Construction Engineering and Inspection Services for Major Street Improvement projects. Proposals were evaluated and scored. Parsons Brinckerhoff was scored the highest.

Other businesses submitting their Qualifications included: Mannik & Smith Group, Tetra Tech of Michigan, Hattin Construction Management, and NTH Consultants.

Contract Discussion continues on following page

Public Works Dept. - continued

Continued Discussion of the Contract:

2891323 23.47% Street Fund, 17.79% State, 49.38% Federal, 9.36% Other Funding – To Provide Construction Engineering and Inspection Services (CE&I) for Fourteen (14) MDOT Projects – Contractor: Parsons Brinckerhoff Michigan, Inc., Location: 500 Griswold St., Suite 2900, Detroit, MI 48226-5001 – Contract Period: Upon Receipt of Written Notice to Proceed through December 31, 2018 – Contract Amount: \$2,158,222.34.

As indicated by the list of accounts, this contract includes construction engineering and inspections for 14 projects and the associated costs:

**Safety Project along Hayes, between 8 Mile and Harper;
and Chalmers, between 7 Mile and Jefferson Ave for \$46,485.66.**
**Safety Project along Houston-Whittier, between Gratiot and Harper;
and Fenkell/Rosa Parks, between Wyoming and Oakman Blvd. for \$67,834.09;**
Safety Project along Wyoming, between 8 Mile and Tireman Street for \$56,391.96;
**3 projects for Traffic Signal Modernization and pavement markings at a total of 49 locations
for a total of \$339,201.64;**
2 projects for Milling and Resurfacing 10.5 miles at 15 locations for a total of \$813,540.56;
Longitudinal pavement markings on various streets throughout the City for \$62,057.27;
Intersection Markings at 169 intersections for \$42,071.24;
Jefferson Ave. Streetscape for \$54,223.93;
Livernois Streetscape for \$147,817.09;
**Mack Avenue Bridge preventative maintenance and milling of Mack Ave. from St. Jean to
Algonquin for \$144,749.89;**
**Mid-Town Loop Phase III, non-motorized improvements on Cass, from downtown to W.
Grand Blvd., Street lighting in Cass from Canfield to I-94 for \$383,849.01**

The contract with Parsons Brinckerhoff indicates they will have subcontracts with Surveying Solutions, and Somat Engineering.

Most of the Budgeted costs of this contract are indicated to be estimated payments for Direct Labor, Overhead, Overtime labor related to the actual costs of providing the services. The budget also provides a total payment of \$200,340.11 in Fixed Fees: Parsons Brinckerhoff to receive \$168,368.77; Somat Engineering to receive \$22,210.97; Surveying Solutions for \$11,760.36.

Contract Discussion continues on Following Page

Public Works Dept. - continued

Continued Discussion of the Contract:

2891323 23.47% Street Fund, 17.79% State, 49.38% Federal, 9.36% Other Funding – To Provide Construction Engineering and Inspection Services (CE&I) for Fourteen (14) MDOT Projects – Contractor: Parsons Brinckerhoff Michigan, Inc., Location: 500 Griswold St., Suite 2900, Detroit, MI 48226-5001 – Contract Period: Upon Receipt of Written Notice to Proceed through December 31, 2018 – Contract Amount: \$2,158,222.34.

Contract checklist, dated August 7, 2014, indicates this contract is essential to provide engineering and inspection of contractors' construction work in the right-of-ways for projects that were funded and bid by the State to comply with State requirements.

Covenant of Equal Opportunity Affidavit signed 7-18-14;

TAXES: Good Through 7-23-15 and 1-15-15;

Hiring Policy Compliance Affidavit signed 7-18-14, Employment Application submitted complies;

Slavery Era Records Disclosure Affidavit signed 7-18-14, indicating no records to disclose.

City Council recently received related contracts:

Contract No. 2895915 with Economic Development Corp. funding for the Livernois Streetscape improvements to the Median, submitted Week of August 25, 2014;

Contract 2895916 with Jefferson East to provide funding for the East Jefferson streetscape improvements from Lakewood to Alter, to install median, bike lanes, etc., submitted Week of August 25, 2014.

Parsons Brinckerhoff Michigan was previously contracted to provide Construction Engineering and Inspection Services for 5 MDOT projects (Contract 2884711) for \$600,780.62, Submitted April 29, 2014; Contract 2881025 for Construction Engineering and Inspection for 8 MDOT projects, Submitted Sept. 10, 2013 for cost of \$2,205,236.44 (including the M-1 project).

Other contracts currently held by Parsons Brinckerhoff Michigan:

No. 2889888, term from April 15, 2014 through April 14, 2019 for \$1,000,000, to provide design services for various roadway, traffic infrastructure, electrical design projects, on an as-needed basis with DPW;

No. 2841463, term from February 2012 through January 2015, for \$1,000,000 to provide Bridge Design, Construction Engineering, Bridge Inspection, Approved Feb. 14, 2012, with DPW;

No. 2884472, term from February 2014 through January 2019, for \$18,000,000 to provide Transportation Planning and Engineering Services on an As-Needed basis, Submitted January 28, 2014, with Dept. of Transportation.

TRANSPORTATION

2809078 20% State, 80% Federal Funding – To Provide Parts, Coach OEM Replacement for NOVA, RTS, MCI and New Flyer Buses – Contractor: New Flyer Industries, Location: 711 Kernaghan Avenue, Winnipeg, Manitoba MB, R3C 3T4 – Contract Period: January 1, 2010 through December 31, 2014 – Contract Increase: \$1,800,000.00 – Contract Amount: \$8,400,000.00

This Contract is to add funds. Original Contract amount \$6,600,000.00

Costs budgeted to Transportation Grants Fund, Acct. 5303-208259-00-622100-10330-0-DOT51, Appropriation for Federal/State Grants includes available funding of \$71,099,972 as of September 12, 2014.

This contract was 1 of 4 contracts awarded and approved with suppliers to provide coach parts. In addition to this contract with New Flyer Industries approved the Week of December 7, 2009, for a 5-year term from Jan. 2010 through December 2014 for a cost of \$6,000,000; Additional contracts were approved with: Muncie Reclamation, Kirk's Automotive, and Prevost Car. The total authorized with the 4 vendors for the 5-year period was \$14,000,000.

An increase to this contract with New Flyer Industries for \$600,000 was recently approved April 15, 2014. The increase was indicated to be required due to requirements to obtain more parts than anticipated due to the age of the coaches.

This request is for a 2nd Increase to this contract for the indicated \$1,800,000, to bring the total contract cost to \$8,400,000. There is no change to the term of the contract.

Expenditures on this contract, as of July 29, 2014, were indicated to be \$6,599,129.

Contractor continues to provide a 10% discount on parts from the U.S. Price List.

Contract checklist, dated August 4, 2014, indicates this contract is essential to acquire parts to maintain and repair coaches.

Covenant of Equal Opportunity Affidavit signed 3-17-14;

TAXES: Good Through 3-13-15 and 12-30-14;

Hiring Policy Compliance Affidavit signed 3-24-14, Employment Application submitted complies;

Slavery Era Records Disclosure Affidavit signed 3-17-14, indicating Agency established 1930, no records to disclose.

Transportation Department - continues

2896295 80% Federal, 20% State Funding – To Provide for the Purchase and Installation of On-Board Security Cameras – Contractor: Seon System Sales, Inc., Location: Unit 111 3B Burbridge St., Coquitlam, BC V3K 7B2 – Contract Period: August 31, 2014 through August 31, 2019 – Contract Amount: \$1,861,475.20

Costs budgeted to Transportation Grants Fund, Acct. 5303-207007-000058-644100-13867-0-DOT51, Appropriation Name not identified, indicated to include available funding of \$25,484,418 as of September 12, 2014.

Bids for the purchase and installation of on-board security cameras were received and evaluated from 3 vendors. This recommendation is with the Bid receiving the Highest Score submitted by SEON Designs; Pricing was one of the categories rated, SEON received the highest score in pricing, indicating it may have submitted the lowest costs.

Other bids were received from: Apollo Video Technology and UTCFS.

The cost for all equipment and installation, including cellular hardware and set-up costs per bus is indicated to be \$7,765.20 for 245 vehicles. All installation to be done at DOT facilities.

Equipment includes a 5-year warranty, beginning from the date of system acceptance, including all software updates during the 5-year term.

The Purchasing File also includes an Annual cost to provide Video Access per vehicle, and administrator for \$22,940 per year, for the term of 5 years. This cost is not included in the total indicated above and would add \$114,700 in costs to the total for the 5 years.

The contract also provides a Firm-Fixed pricing for additional units, during the 5-year term, to install on new coaches acquired. The cost per coach is \$6,692.68 for Nova Coaches; and \$6,492.65 for New Fly and Gillig Coaches.

Contract checklist, dated August 1, 2014, indicates this contract is essential for the safety of transit passengers and coach operators.

Covenant of Equal Opportunity Affidavit signed 12-6-13;

TAXES: Good Through 12-10-14 and 1-15-15;

Hiring Policy Compliance Affidavit signed 12-16-13, Employment Application submitted complies;

Slavery Era Records Disclosure Affidavit signed 12-16-13, indicating no records to disclose.

City Council was notified on the Agenda of January 28, 2014, the approval by the Emergency Manager of Contract 2886733 with SEON Designs, to procure and install Transit Surveillance System, for a cost of \$276,968. City Council may wish to inquire if the proposed contract is a continuation of the previous contract approved by the Emergency Manger.